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8 March 1983

EL SALVADOR

The political situation appears to have improved somewhat, but the military situation is still poor.

The government was able to take a number of positive steps just prior to the Pope's visit.

- A peace commission was formed, including a representative of the Church (the Bishop of Santa Ana).
- The political commission agreed to move the Presidential elections up from March 1984 to late 1983.
- The Constituent Assembly extended Phase III (land to the tiller) of the agrarian reform program to the end of this year.

Also, it now appears that political infighting in the military may be peacefully resolved.

- Defense Minister Garcia has told top military leaders that he will submit his resignation to President Magana, and is prepared to step down if necessary.

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-- Magana already is giving indications that he will replace Garcia with National Guard Commander Vides Casanova.

On the military front, however, the insurgents again are on the offensive.

-- They began a major sabotage campaign against the country's transportation and electrical power systems on Monday.

-- They also have declared that northern Morazan Department is a "Free Territory."

-- The government has sent reinforcements to the area and driven the guerrillas back from the departmental capital, but the situation may deteriorate if the insurgents can cut road access to the region.

The arms flow to the insurgents also continues at a relatively steady rate.

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Meanwhile, on the international front, Venezuela reportedly is considering a cutback in its military training program for El Salvador because of adverse publicity.

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- Venezuela has trained two Salvadoran battalions in counterinsurgency tactics.
- Nicaragua protested Venezuelan involvement, however, once it became public accidentally during a State Department press briefing in late January 1983.

#### GUATEMALA

In Guatemala, President, Rios Montt appears intent on announcing new political party and election laws on 23 March in preparation for possible constituent elections in 1984.

- He may also modify the state of siege at that time to permit more political activity.

Rios Montt appears to be trying to cover up military involvement in the killing of four Guatemalans working for US AID project.

- While he has promised the US Ambassador he would investigate the incident, he already is bending the facts to obscure blame for the murders.

#### HONDURAS

In Honduras, President Suazo is attempting to prevent any serious rifts from developing in his own Liberal Party over domestic and foreign policy issues.

- He also is meeting with labor groups critical of his austerity measures.

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Meanwhile, his government is giving strong support to a new regional peace initiative that would include Nicaragua but exclude the US.

- Costa Rica is also pushing for a regional conference, possibly in the Dominican Republic, with Mexico, Venezuela, and Columbia as observers.

#### COSTA RICA

In Costa Rica, there has been a new outburst of anti-Nicaraguan sentiment as a result of the Pope's poor treatment by the Sandinistas.

- Nevertheless, President Monge still wants Nicaragua to attend a regional meeting to discuss new peace initiatives.
- Therefore, he has toned down his anti-Sandinista rhetoric recently.

#### PANAMA

The rift between Panamanian National Guard Commander Paredes and the US Ambassador shows no signs of healing.

- Paredes still wants to come to the US in April, but the Ambassador is strongly opposed.
- Meanwhile, President de la Espriella believes his own authority has been badly weakened by Paredes' actions.

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NICARAGUA

In Nicaragua, the Sandinistas appeared heading for new confrontations with the Church as a result of the Pope's visit.

-- Archbishop Obando y Bravo appears strengthened by the show of papal support.

-- Clashes with the Sandinistas are possible should pro-Church demonstrations take place during Holy Week.

Meanwhile, Managua has given no indication if it will accept an invitation to a new regional peace conference.

-- The Sandinistas have stated the proposal represents defeat of previous attempts to isolate them.

-- Nevertheless, their current foreign policy efforts are focused on gaining support at the current Non-aligned meeting in New Dehli.

On the military front, there are indications Managua is preparing a large-scale offensive against insurgents along the Honduran border.

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-- There also are reports that civilians are being evacuated from portions of the northwest border area.

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